



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2005 REGULAR SESSION

HOUSE BILL NO. 161

MONDAY, FEBRUARY 14, 2005

The following bill was reported to the Senate from the House and ordered to be printed.

RECEIVED AND FILED
DATE March 18, 2005
11:50am

TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

AN ACT relating to the Kentucky Higher Education Student Loan Corporation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1 Section 1. KRS 164A.080 is amended to read as follows:

2 (1) The corporation may provide for the issuance, at one (1) time or from time to time,
 3 of not exceeding five~~[one]~~ billion~~[— nine hundred fifty million]~~ dollars
 4 (\$5,000,000,000)~~[\$1,950,000,000]~~ in bonds of the corporation to carry out and
 5 effectuate its corporate purposes and powers. In anticipation of the issuance of
 6 bonds, the corporation may provide for the issuance, at one (1) time or from time to
 7 time, of bond anticipation notes. The principal of and the interest on bonds or notes
 8 shall be payable solely from the funds provided for payment. Any notes may be
 9 made payable from the proceeds of bonds or renewal notes or, if bond or renewal
 10 note proceeds are not available, notes may be paid from any available revenues or
 11 assets of the corporation. The bonds or notes of each issue shall be dated and may
 12 be made redeemable before maturity at the option of the corporation at the price or
 13 prices and under the terms and conditions determined by the corporation. Any
 14 bonds or notes shall bear interest at a rate or rates determined by the corporation.
 15 Notes shall mature at a time or times not exceeding five (5) years from their date or
 16 dates and bonds shall mature at a time or times not exceeding thirty (30) years from
 17 their date or dates, as determined by the corporation. The corporation shall
 18 determine the form and manner of execution of the bonds or notes, including any
 19 interest coupons to be attached, and shall fix the denomination or denominations
 20 and the place or places of payment of principal and interest, which may be any bank
 21 or trust company within or without the state. If any officer whose signature or a
 22 facsimile of whose signature appears on any bonds or notes or coupons attached to
 23 them shall cease to be an officer before the delivery of the bonds or notes, the
 24 signature or facsimile shall be valid and sufficient for all purposes as if he had
 25 remained in office until the delivery. The corporation may also provide for the

1 authentication of the bonds or notes by a trustee or fiscal agent. The bonds or notes
2 may be issued in coupon or in registered form, or both, as the corporation may
3 determine, and provision may be made for the registration of any coupon bonds or
4 notes as to principal alone and also as to both principal and interest, and for the
5 reconversion into coupon bonds or notes of any bonds or notes registered as to both
6 principal and interest, and for the interchange of registered and coupon bonds or
7 notes. Upon the approval of a resolution of the corporation authorizing the sale of
8 its bonds or notes, the bonds or notes may be sold in a manner, either at public or
9 private sale, and for a price the corporation shall determine to be for the best interest
10 of the corporation and best effectuate the purposes of this chapter if the sale is
11 approved by the corporation.

12 (2) The proceeds of any bonds or notes shall be used solely for the purposes for which
13 they are issued and shall be disbursed in a manner and under restrictions, if any, the
14 corporation may provide in the resolution authorizing the issuance of bonds or notes
15 or in the trust agreement securing the bonds or notes. The principal of and interest
16 on any bonds issued by the corporation shall be payable only from the proceeds
17 derived by the corporation from insured student loans made and purchased from the
18 proceeds of the bonds.

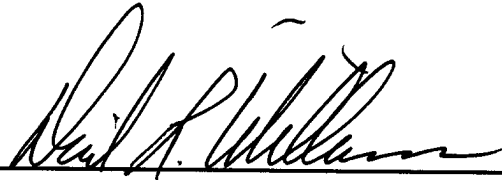
19 (3) (a) Prior to the issuance of any bonds or notes that are not secured by the
20 repayment of student loans at least ninety-five percent (95%) insured by the
21 guarantee agency and reinsured by the United States of America, the
22 corporation shall obtain approval of the issuance from the General Assembly
23 in accordance with the provisions of KRS 56.870(1). This requirement shall
24 not apply to refunding bond or note issues which are for the purpose of
25 achieving debt service savings and which do not extend the term of the
26 refunded bond or note.

27 (b) Notwithstanding paragraph (a) of this subsection, if during the interim of

1 sessions of the General Assembly, the federal act is amended to reduce to less
2 than ninety-five percent (95%) the maximum rate of insurance payable by the
3 guarantee agency or reinsurance payable by the Secretary of Education of the
4 United States on insured student loans, upon notification by the corporation to
5 the Legislative Research Commission of the change in the federal act, the
6 corporation may, until the adjournment of the next even-numbered-year
7 regular session of the General Assembly, issue bonds or notes for student
8 loans insured by the guarantee agency and reinsured by the Secretary of
9 Education of the United States to the maximum extent permitted by the
10 federal act.



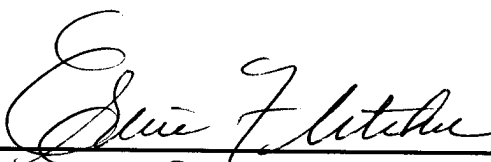
Speaker-House of Representatives



President of the Senate

Attest: 

Chief Clerk of House of Representatives

Approved 

Governor

Date 
